

R277-477 was approved by the Utah State Board of Education on August 7, 2015. R277-477 is published in the September 1, 2015 Utah State Bulletin, subject to a 30-day comment period, with a first possible effective date of October 8, 2015.

**R277. Education, Administration.**

**~~[R277-477. Distribution of Funds from the Interest and Dividend Account and Administration of the School LAND Trust Program.~~**

**~~R277-477-1. Definitions.~~**

~~—— A. “Approving Entity” means the school district, University, or other legally authorized entity that approves or rejects plans for a district or charter school.~~

~~—— B. “Board” means the Utah State Board of Education. The Board is the primary beneficiary representative and advocate for beneficiaries of the School Trust corpus and the School LAND Trust Program.~~

~~—— C. “Chartering Entity” means the school district, Board, university, or other entity authorized to charter a charter school.~~

~~—— D. “Charter trust land council” means a council comprised of a two person majority of elected parents or guardians of students attending the charter school and may include other members, as determined by the board of the charter school. The governing board of a charter school may serve as a charter trust land council if the board membership includes at least two more parents or guardians of students currently enrolled at the school than all other members combined consistent with Section 53A-16-101.5. If not, the board of the charter school shall develop a school policy governing the election of a charter trust land council. R277-491 does not apply to charter trust land councils.~~

~~—— E. “Councils” means school community councils and charter trust lands councils.~~

~~—— F. “Fall enrollment report” means the audited census of students registered in Utah public schools as reported in the audited October 1 Fall Enrollment Report from the previous year.~~

~~—— G. “Funds” means interest and dividend income as defined under Section 53A-16-101.5(2).~~

~~—— H. “Interest and Dividends Account” means a restricted account within the Uniform School Fund created under Section 53A-16-101 established to collect interest and dividends from the permanent State School Fund until the end of the fiscal year. The USOE distributes funds to school districts, charter schools and the USDB through the School LAND Trust Program at the beginning of the next fiscal year.~~

~~—— I. “Local board of education” means the locally-elected board designated in Section 53A-3-101 that makes decisions and directs the actions of local school districts, and which approves School LAND Trust plans for schools under the local board's authority.~~

~~—— J. “Most critical academic needs” for purposes of this rule means academic needs identified in an individual school's improvement plan developed consistent with Section 53A-1a-108.5 or identified in the school charter.~~

~~—— K. “Principal” means an administrator licensed as a principal in the state of Utah and employed in that capacity at a school. For the purposes of this rule, “principal” includes the director of a charter school. “Principal” also includes a specific designee of the principal.~~

~~—— L. “School Children's Trust Director” means the Director appointed by the Board under Section 53A-16-101.6 to assist the Board in fulfilling its duties as primary beneficiary representative for trust lands and funds.~~

~~—— M. “School community council” means the council organized at each school district~~

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public school as established in Section 53A-1a-108 and R277-491. The council includes the principal, school employee members and parent members. There shall be at least a two parent member majority.

——— N. “State Charter School Board (SCSB)” means the board designated under Section 53A-1a-501.5 that has responsibility for making recommendations regarding the welfare of charter schools to the Board.

——— O. “State Superintendent of Public Instruction (Superintendent)” means the individual appointed by the Board as provided for in Section 53A-1-301(1) to administer all programs assigned to the Board in accordance with the policies and the standards established by the Board.

——— P. “Student” means a child in public school grades kindergarten through twelve counted on the audited October 1 Fall Enrollment Report of the school district, charter school, or USDB.

——— Q. “USDB” means the Utah Schools for the Deaf and the Blind.

——— R. “USOE” means the Utah State Office of Education.

#### **R277-477-2. Authority and Purpose.**

——— A. This rule is authorized by Utah Constitution Article X, Section 3 which places general control and supervision of the public school system under the Board, by Section 53A-16-101.5(3)(c) which allows the Board to adopt rules regarding the time and manner in which the student count shall be made for allocation of school trust land funds, and by Section 53A-1-401(3) which allows the Board to adopt rules in accordance with its responsibilities.

——— B. The purpose of this rule is to:

——— (1) provide financial resources to public schools to enhance or improve student academic achievement and implement an academic component of the school improvement plan;

——— (2) involve parents and guardians of a school's students in decision making regarding the expenditure of School LAND Trust Program money allocated to the school;

——— (3) provide direction in the distribution from the Interest and Dividends Account created in Section 53A-16-101 and funded in Section 53A-16-101.5(2);

——— (4) provide for appropriate and adequate oversight of the expenditure and use of School LAND Trust monies by designated local boards of education, chartering entities, and the Board;

——— (5) provide for:

——— (a) appropriate and timely distribution of School LAND Trust funds;

——— (b) accountability of councils for notice to school community members and appropriate use of funds;

——— (c) independent oversight of the agencies managing school trust lands and the permanent State School Fund to ensure those trust assets are managed prudently, profitably, and in the best interest of the beneficiaries;

——— (d) representation, advocacy, and information on school trust lands and permanent State School Fund issues to all interested parties including: the School and Institutional

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Trust Lands Administration, the School and Institutional Trust Lands Board of Trustees, the School and Institutional Trust Fund Office, the School and Institutional Trust Fund Board of Trustees, the Legislature, the Utah Attorney General's office, school community councils, and the general public;

—— (e) compliance by councils with requirements in statute and Board rule; and

—— (f) allocation of the monies as provided in Section 53A-16-101.5(3)(c) based on student count.

—— (6) define the roles, duties, and responsibilities of the School Children's Trust Director within the USOE.

### **~~R277-477-3. Distribution of Funds - Local Board or Local Charter Board Approval of School LAND Trust Plans.~~**

—— A. All public schools receiving School LAND Trust Program funds shall have a council as required by Sections 53A-1a-108 and R277-491, a charter school trust lands council as required in 53A-16-101.5(7), or have a local board approved exemption under R277-491-3E. District public schools and charter schools shall submit a Principal Assurance Form, as described in R277-491-5A.

—— B. All charter schools that elect to receive School LAND Trust funds shall have a charter trust lands council, develop an academic plan in accordance with the school charter, and report the date when the charter trust lands council and charter board approved the plan. The principal for each charter school that elects to receive School LAND Trust funds shall submit a plan on the School LAND Trust Program website no later than May 1; newly opening charter schools shall submit plans on the School LAND Trust Program website no later than October 1 in the school's first year.

—— C. An approving entity shall consider plans annually and may approve or disapprove a school plan. If the approving entity does not approve a plan, the approving entity shall provide a written explanation explaining why the plan was not approved and request that the school revise the plan, consistent with Section 53A-16-101.5.

—— D. The principal for each public school shall provide information on each school's plan to address most critical academic needs and complete the USOE-provided form via the School LAND Trust website.

—— (1) Along with each plan, the principal shall submit a record of the vote by the school community council or charter trust land council approving the school plan.

—— (2) The approval shall include the date of the vote, votes for, against, and absent, consistent with Section 53A-16-101.5.

—— E. To facilitate schools' submission of information, each local board of education shall establish a school district submission date for the school district schools not later than May 1 of each year. Timelines shall allow for school community council reconsideration and amendment of the school plans if the approving entity rejects a plan.

—— F. The USOE shall only distribute funds to schools with plans approved by the approving entity.

—— G. Approving entity responsibilities:

—— (1) Principals shall show at least one of the training DVDs available on the School

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LAND Trust website in at least one school faculty meeting annually. In the same meeting, the principal shall explain how the school is spending its School LAND Trust funds.

—— (2) Prior to approval of school plans, the approving entity shall ensure that plans include academic goals, specific steps to meet those goals, measurements to assess improvement and specific expenditures focused on student academic improvement.

—— (3) The USOE shall not distribute funds until a school has an approved plan to use funds to enhance or improve a school's academic excellence consistent with Section 53A-16-101.5 and R277-477.

—— (4) The School Children's Trust Director shall review and approve all charter school plans on behalf of the SCSB. The School Children's Trust Director shall also provide notice as necessary to the SCSB of changes required of charter schools for compliance with state law and Board rule.

#### **R277-477-4. Appropriate Use of School LAND Trust Program Funds.**

—— A. Examples of successful plans using School LAND Trust Program monies include programs focused on:

—— (1) credit recovery courses and programs;

—— (2) study skills classes;

—— (3) college entrance exam preparation classes;

—— (4) academic field trips;

—— (5) classroom equipment and materials such as flashcards, math manipulatives, calculators, microscopes, maps or books;

—— (6) teachers, teacher aides, and student tutors;

—— (7) professional development directly tied to school academic goals;

—— (8) student focused educational technology, including hardware and software, computer carts and work stations;

—— (9) books, textbooks, workbooks, library books, bookcases, and audio-visual materials;

—— (10) student planners; and

—— (11) nominal student incentives that are academic in nature or of marginal total cost.

—— B. Examples of plans ineligible for School LAND Trust Program funding include:

—— (1) security;

—— (2) phone, cell phone, electric, and other utility costs;

—— (3) sports and playground equipment;

—— (4) athletic or intermural programs;

—— (5) extra-curricular non-academic expenditures;

—— (6) audio-visual systems in non-classroom locations;

—— (7) non-academic field trips;

—— (8) food and drink for council meetings or parent nights;

—— (9) printing and mailing costs for notices to parents;

—— (10) accreditation, administrative, clerical, or secretarial costs;

—— (11) cash or cash equivalent incentives for students;

—— (12) other furniture;

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~~—— (13) staff bonuses; and~~

~~—— (14) similar non-instructional items or programs.~~

~~—— C. Each school plan may budget and spend no more than the lesser of \$5,000 or 20 percent of the annual allocation of School LAND Trust funds for in-school civic and character education including student leadership skills training and positive behavior intervention. A school may designate funds for these programs/activities only if the plan clearly describes how these activities/programs directly affect student academic achievement.~~

~~—— D. Schools that are specifically designated to serve students with disabilities may use funds as needed to directly influence and improve student performance according to the students' Individual Education Plans (IEPs).~~

~~—— E. The school trust is intended to benefit all of Utah's school children. The Board encourages councils to design and implement plans in a way that benefits all children at each school.~~

~~—— F. School districts and charter schools choosing to submit information to the School LAND Trust website through a comprehensive electronic plan shall satisfy standards for programming and data entry required by the USOE. They shall review School LAND Trust plans on the USOE website prior to local board of education or chartering entity approval to ensure information consistent with the law has been downloaded by individual schools into the electronic plan visible on the School LAND Trust Program website.~~

~~—— G. Principals shall ensure that all council members have the opportunity to sign the form indicating their involvement in implementing the current School LAND Trust plan and developing the school plan for the upcoming year. A principal shall upload the form to the database.~~

~~—— H. Prior to approval of the School LAND Trust plans, the president or chair of an approving entity shall ensure that the members of the approving entity receive annual training on the requirements of Section 53A-16-101.5.~~

~~—— I. When approving school plans on the School LAND Trust Program website, the approving entity shall report the meeting date(s) when the approving entity approved the plans.~~

#### **~~R277-477-5. Distribution of Funds -- Determination of Proportionate Share.~~**

~~—— A. A designated amount appropriated by the Legislature from the Interest and Dividends Account shall fund the School Children's Trust Section, the administration of the program and other duties outlined in this rule and Sections 53A-16-101.5 and 53A-16-101.6. The USOE shall deposit any unused balance initially allocated for School LAND Trust Program administration in the Interest and Dividends Account for future distribution to schools through the School LAND Trust Program.~~

~~—— B. The USOE, through the School LAND Trust Program, shall distribute funds to school districts and charter schools as provided under Section 53A-16-101.5(3)(a). The USOE shall base the distribution on the state's total fall enrollment as reflected in the audited October 1 Fall Enrollment Report from the previous school year.~~

~~—— C. Each school district shall distribute funds received under R277-477-3A to each~~

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school within each school district on an equal per student basis:

~~——— D. Local boards of education shall adjust distributions, maintaining an equal per student distribution within a school district, for school openings and closures and for boundary changes occurring after the audited October 1 Fall Enrollment Report of the prior year.~~

~~——— E. The USOE shall fund charter schools on a per pupil basis, provided that each charter school, including newly opening charter schools, receives at least 0.4 percent of the total available to charter schools as a group. A newly opening charter school shall receive the greater of 0.4 percent of the total available to charter schools as a group or the per pupil amount based on the school's estimated enrollment. The USOE shall allocate the remainder of the distribution to charter schools on a per pupil basis to all charter schools that receive an amount greater than the base 0.4 percent amount. The USOE shall increase or decrease a newly opening charter school's enrollment in the school's second year to reflect the school's actual initial October 1 enrollment.~~

~~——— F. If a school chooses not to apply for School LAND Trust Program funds or does not meet the requirements for receiving funds, the USOE shall retain the funds allocated for that school and include those funds in the statewide distribution for the following school year.~~

~~——— G. Local boards of education and school districts shall ensure timely notification to chairs and principals of the availability of the funds to schools with approved plans.~~

~~——— H. The School Children's Trust Director shall review and approve all plans submitted by the USDB governing board as necessary.~~

#### **~~R277-477-6. School LAND Trust Program: Implementation of Plans and Required Reporting.~~**

~~——— A. Schools shall make full good faith efforts to implement plans as approved.~~

~~——— B. The school community council or charter school trust land council may amend a current year plan when necessary. The council shall amend the plan by a majority vote of a quorum of the council. The principal shall amend the school plan on the School LAND Trust website. The approving entity shall consider the amendment for approval, and approve amendments before funds are spent according to the amendment.~~

~~——— C. A school may carryover funds not used in the school approved plan to the next school year and add those funds to the School LAND Trust Program funds available for expenditure in the school the following year.~~

~~——— D. Schools shall provide an explanation for any carry over that exceeds one-tenth of the school's allocation in a single year in the school plan or report. The USOE shall consider districts and schools with consistently large carryover balances over multiple years as not making adequate and appropriate progress on their approved plans. The USOE may direct compliance reviews and corrective action.~~

~~——— E. Approval of school plans on the School LAND Trust website affirms that the approving entity has reviewed the plans and that the plans meet the requirements of Section 53A-1a-105 and R277-477.~~

~~——— F. District and charter school business officials shall enter prior year audited~~



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~~expenditures by category on the School LAND Trust website on or before October 15th. The expenditure data shall appear in the final reports submitted online by principals for reporting to parents as required in Section 53A-1a-108.~~

~~——— G. Principals shall submit final reports on the School LAND Trust website by October 20 annually.~~

#### **~~R277-477-7. School LAND Trust Program - School Children's Trust to Review Compliance.~~**

~~——— A. The School Children's Trust Section staff shall review each school final report for consistency with the approved school plan.~~

~~——— B. The School Children's Trust Section staff shall create a list of all schools whose final reports indicate that funds from the School LAND Trust Program were expended inconsistent with the requirements and academic intent of the law, inconsistent with R277-477 or R277-491, or inconsistent with the local board of education/charter board approved plan. The School Children's Trust Section staff shall report this list of schools to the district contact, district superintendent, and local board of education or charter board president annually.~~

~~——— C. USOE staff may visit schools receiving funds from the School LAND Trust Program to discuss the program, receive information and suggestions, provide training, and answer questions.~~

~~——— D. The School Children's Trust Director shall supervise annual compliance reviews to review expenditure of funds relative to the approved plan and allowable expenses.~~

~~——— E. The School Children's Trust Director shall report annually to the Board Audit Committee on compliance review findings and other compliance issues. The Board Audit Committee shall make determinations regarding questioned costs and corrective action, following review and consideration of compliance and financial reviews conducted by the School Children's Trust Section staff.~~

~~——— F. The Board Audit Committee may recommend to the Board that the Board reduce or eliminate funds if a school fails to comply with Utah law or Board rule. The Board may require that the school reimburse the School LAND Trust Program for any inappropriate expenditures.~~

#### **~~R277-477-8. School Children's Trust Director - Other Provisions.~~**

~~——— A. The Director shall have professional qualifications and expertise in the areas generating revenue to the trust, including economics, energy development, finance, investments, public education, real estate, renewable resources, risk management, and trust law, as provided in 53A-16-101.6(3)(b).~~

~~——— B. The Director shall report to the Board Audit Committee monthly. The Director shall report day to day to the Superintendent or Superintendent's designee and has responsibilities as outlined in Sections 53A-16-101.5 and 53A-16-101.6.~~

~~——— C. The employees of the section report to the Director, who shall carry out the policy direction of the Board under law and faithfully adhere to the Board-approved budget.~~

~~——— D. The School Children's Trust Director shall submit a draft section budget to the~~

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~~Board Audit Committee annually, consistent with Section 53A-16-101.6(5)(a):~~

~~——— E. The School Children's Trust Director shall include in the draft budget a proposed School LAND Trust Program and school community council training schedule, as described in Section 53A-16-101.6(11):~~

~~——— F. The Board Audit Committee may discuss or approve, or both, the School Children's Trust budget in an open portion of the Board Audit Committee meeting:~~

~~——— G. The Board, consistent with Section 53A-16-101.6(5)(b), shall propose an approved budget to the Legislature:]~~



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**R277-477. Distributions of Funds from the Interest and Dividends Account and Administration of the School LAND Trust Program.**

**R277-477-1. Authority and Purpose.**

(1) This rule is authorized by:

(a) Utah Constitution Article X, Section 3, which places general control and supervision of the public school system under the Board;

(b) Subsection 53A-16-101.5(4), which allows the Board to adopt rules regarding the time and manner in which a student count shall be made for allocation of funds; and

(c) Subsection 53A-1-401(3), which allows the Board to adopt rules in accordance with its responsibilities.

(2) The Board is the primary beneficiary representative and advocate for the beneficiaries of the School Trust corpus and the School LAND Trust Program.

(3) The purpose of this rule is to:

(a) provide financial resources to a public school to implement a component of a school's improvement plan or charter document in order to enhance and improve student academic achievement;

(b) provide a means to involve a parent of a school's student in decision-making regarding the expenditure of School LAND Trust Program funds allocated to the school;

(c) provide direction in the distribution of funds from the Interest and Dividends Account, as funded in Subsection 53A-16-101.5(3);

(d) provide for appropriate and adequate oversight of the expenditure and use of funds by a designated local board of education, an approving entity, and the Board;

(e) provide for proper allocation of funds as stated in Subsections 53A-16-101.5(3) and (4), and the appropriate and timely distribution of the funds;

(f) enforce compliance with statutory and rule requirements, including the responsibility for a school community council to notify school community members regarding the use of funds; and

(g) define the roles, duties, and responsibilities of the School Children's Trust Director within the USOE.

**R277-477-2. Definitions.**

(1) "Approving entity" means an LEA governing board, university, or other legally authorized entity that may approve or reject a plan for a district or charter school.

(2)(a) "Charter trust land council" means a council comprised of a two person majority of elected parents of students attending the charter school convened to act in lieu of the school community council for the charter school.

(b) "Charter trust land council" includes a charter school governing board if:

(i) the council meets the two-parent majority requirement; and

(ii) the charter school governing board chooses to serve as the charter trust land council.

(3) "Council" means a school community council or a charter trust land council.

(4) "Digital citizenship" means the same as that term is defined in Section 53A-1a-

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(5) "Fall enrollment report" means the audited census of students registered in Utah public schools as reported in the audited October 1 Fall Enrollment Report of the previous year.

(6) "Funds" means interest and dividends income as defined in Subsection 53A-16-101.5(3).

(7) "Interest and Dividends Account" means the restricted account within the Uniform School Fund created under Subsection 53A-16-101(2).

(8) "Most critical academic need" means an academic need identified in a school's improvement plan or school's charter.

(9)(a) "Principal" means an administrator licensed as a principal in the state and employed in that capacity at a school.

(b) "Principal" includes the director of a charter school.

(10) "School Children's Trust Director" means the Director appointed by the Board under Section 53A-16-101.6.

(11) "Student" means a child in public school grades kindergarten through 12 counted on the fall enrollment report of a school district, charter school, or USDB.

### **R277-477-3. Distribution of Funds - Local Board or Local Charter Board Approval of School LAND Trust Plans.**

(1) A public school receiving School LAND Trust Program funds shall have:

(a) a school community council as required by Section 53A-1a-108 and Rule R277-491;

(b) a charter school trust land council as required by Subsection 53A-16-101.5(9);  
or

(c) an approved exemption under this rule.

(2) A public school receiving School LAND Trust Program funds shall submit a principal assurance form, as described in Section R277-491-5 and Subsection 53A-16-101.5(5)(c), prior to the public school receiving a distribution of School LAND Trust Program funds.

(3) A charter school that elects to receive School LAND Trust funds shall:

(a) have a charter trust land council;

(b) be subject to Section 53A-1a-108.1 if the charter trust land council is not a charter school governing board; and

(c) receive training about Section 53A-1a-108.1.

(4) A charter school that is a small or special school may receive an exemption from the charter land trust council composition requirements contained in Subsection 53A-16-101.5(9) upon application to the Board if the small or special school demonstrates and documents a good faith effort to recruit members to the charter trust land council.

(5) The principal of a charter school that elects to receive School LAND Trust funds shall submit a plan to the School Children's Trust Section on the School LAND Trust website:

(a) no later than April 1; or

(b) for a newly opening charter school, no later than November 1 in the school's first

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year in order to receive funding in the year the newly opening charter school opens.

(6)(a) An approving entity:

(i) shall consider a plan annually; and

(ii) may approve or disapprove a school plan.

(b) If an approving entity does not approve a plan, the approving entity shall:

(i) provide a written explanation why the approving entity did not approve the plan;

and

(ii) request that the school revise the plan, consistent with Section 53A-16-101.5.

(7)(a) To receive funds, the principal of a public school shall submit a School LAND Trust plan to the School Children's Trust Section annually through the School LAND Trust website using the form provided.

(b) The Board may grant an exemption from a school using the USOE-provided form, described in Subsection (7)(a), on a case-by-case basis.

(8) In addition to the requirements of Subsection (6), the School LAND Trust plan described in Subsection (7)(a) shall include the date the council voted to approve the plan.

(9)(a) A council member shall have the opportunity to provide a digital signature indicating the member's involvement in implementing the current School LAND Trust plan and developing the school plan for the upcoming year.

(b) Entering the council member's name and email address into the Council Membership and Signature Form page on the School LAND Trust website and using that system to collect the digital signature shall suffice to meet the requirements of this Subsection (9).

(c) An LEA or district school, upon the permission of the LEA's governing board, may design the LEA or district school's own form to collect the information required by this Subsection (9).

(10)(a) An LEA governing board shall establish a timeline, including a deadline, for a school to submit the school's School LAND Trust plan.

(b) The deadline described in Subsection (10)(a) may be no later than May 1 of each year.

(c) Timelines set by an LEA governing board shall allow for council reconsideration and amendment of the School LAND Trust plan if the local board of education rejects a plan.

(11) The USOE shall only distribute funds to a school with an approved School LAND Trust plan and that meets all other requirements.

(12)(a) Prior to approving a plan, an approving entity shall review a School LAND Trust plan under the approving entity's purview to confirm that a School LAND Trust plan contains:

(i) academic goals;

(ii) specific steps to meet the academic goals described in Subsection (12)(a)(i);

(iii) measurements to assess improvement; and

(iv) specific expenditures focused on student academic improvement.

(b)(i) The Superintendent shall review a School LAND Trust plan for compliance with statute and rule.

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(ii) The approving entity shall determine whether a School LAND Trust plan is consistent with the approving entity's pedagogy, programs, and curriculum.

(c) Prior to approving a School LAND Trust plan, the president or chair of the approving entity shall provide training annually on the requirements of Section 53A-16-101.5 to the members of the approving entity.

#### **R277-477-4. Appropriate Use of School LAND Trust Program Funds.**

(1) Acceptable uses of School LAND Trust Program funds include the following:

(a) a credit recovery course or program;

(b) a study skills class;

(c) a college entrance exam preparation class;

(d) an academic field trip;

(e) classroom equipment or materials, including flashcards, math manipulatives, a calculator, microscope, map, or book;

(f) a teacher, teacher aide, tutor, or other personnel if an employee paid out of School LAND Trust funds spends at least 75% of the employee's time interacting with, instructing, or preparing to instruct a student in an approved academic area;

(g) professional development directly tied to a school's academic goals, including a faculty meal, per diem, and travel required as a part of a professional development program;

(h) student focused educational technology, including hardware and software, a computer cart, work station, projector, and smart board.

(i) a book, textbook, workbook, library book, bookcase, magazine, and audio-visual material;

(j) a student planner; and

(k) a nominal student incentive that is academic in nature or of nominal total cost.

(2) Expenditures ineligible for School LAND Trust Program funding include the following:

(a) security costs;

(b) phone, cell phone, electric, HVAC, or other utility;

(c) a facility, building, or maintenance costs;

(d) sports and playground equipment;

(e) an athletic or intramural program;

(f) an extra-curricular non-academic expenditure;

(g) an audio-visual system in a non-classroom location;

(h) a non-academic field trip;

(i) an expense for a council meeting, parent night, orientation, training, or similar meeting or event;

(j) mailing costs;

(k) accreditation costs;

(l) administrative, clerical, or secretarial costs, technical support, or maintenance, including for repair of an item not purchased with School LAND Trust funds;

(m) cash or cash equivalent incentives, including a gift card of any type regardless

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of the recipient;

(n) furniture;

(o) a staff bonus; and

(p) a similar non-instructional item or program.

(3)(a) A School LAND Trust plan may budget and spend no more than the lesser of \$5,000 or 20% of the school's annual allocation of funds for in-school civic and character education, including student leadership skills training and positive behavior intervention.

(i) A school may designate funds for an in-school civic and character education program or activity if the plan clearly describes how the program or activity will directly affect student academic achievement.

(ii) A school may use funds to provide digital citizenship training as described in Section 53A-1a-108.

(b) Notwithstanding other provisions in this rule, a school may use funds as needed to implement students' IEPs.

#### **R277-477-5. Distribution of Funds - Determination of Proportionate Share.**

(1) A local school board shall report the prior year expenditure of distributions for each school and adjust the current year distribution of funds received from the School LAND Trust Program as described in Section 53A-16-101.5, as necessary to maintain an equal per student distribution within a school district based on school openings and closings, boundary changes, and other enrollment changes occurring after the fall enrollment report.

(2)(a) For purposes of this Subsection (2) and Subsection (3), "qualifying charter school" means a charter school that:

(i) would receive more funds from a per pupil distribution than the charter school receives from the base payment described in Subsection (2)(c); and

(ii) is not a newly opening charter school as described in Subsection (3).

(b) The Superintendent shall distribute the funds allocated to charter schools as described in this Subsection (2).

(c) The Superintendent shall first distribute a base payment to each charter school that is equal to the product of:

(i) an amount equal to the total funds available for all charter schools; and

(ii) at least 0.4%.

(d) After the Superintendent distributes the amount described in Subsection (2)(c), the Superintendent shall distribute the remaining funds to qualifying charter schools on a per pupil basis.

(3)(a) The Superintendent shall distribute an amount of funds to a newly opening charter school that is equal to the greater of:

(i) the base payment described in Subsection (2)(c); or

(ii) a per pupil amount based on the newly opened charter school's projected October 1 enrollment count.

(b) The Superintendent shall increase or decrease a newly opening charter school's first year distribution of funds in the school's second year to reflect the newly opening

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charter school's actual first year October 1 enrollment.

(4) If a school chooses not to apply for funds or does not meet the requirements for receiving funds, the USOE shall retain the funds allocated for that school and include those funds in the statewide distribution for the following school year.

#### **R277-477-6. School LAND Trust Program - Implementation of Plans and Required Reporting.**

(1) A school shall implement a plan as approved.

(2)(a) The principal shall submit a plan amendment authorized by Subsection 53A-16-101.5(6)(d)(iii) through the School LAND Trust website for approval, including the date the council approved the amendment and the number of votes for, against, and absent.

(b) The approving entity shall:

(i) consider the amendment for approval; and

(ii) approve an amendment before the school uses funds according to the amendment.

(c) The School Children's Trust Section shall review an amendment for compliance with statute and rule before the school uses funds according to the amendment.

(3)(a) A school shall provide an explanation for any carryover that exceeds one-tenth of the school's allocation in a given year in the School LAND Trust Plan or final report.

(b) The USOE shall consider a district or school with a consistently large carryover balance over multiple years as not making adequate and appropriate progress on an approved plan.

(c) The Board may take corrective action to remedy excessive carryover balances as outlined in Section R277-477-9.

(4) By approving a plan on the School LAND Trust website, the approving entity affirms that:

(a) the entity has reviewed the plan; and

(b) the plan meets the requirements of statute and rule.

(5)(a) A district or charter school business official shall enter prior year audited expenditures by specific category on the School LAND Trust website on or before October 1.

(b) The expenditure data shall appear in the final report submitted online by a principal, as required by Section 53A-16-101.5.

(6) A principal shall submit a final report on the School LAND Trust website by October 20 annually.

#### **R277-477-7. School LAND Trust Program - School Children's Trust Section to Review Compliance.**

(1)(a) The School Children's Trust Section shall review each school's final report for consistency with the approved school plan.

(b) The School Children's Trust Section shall create a list of all schools whose final reports indicate that funds from the School LAND Trust Program were expended inconsistent with the statute, rule, or the school's approved plan.



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(c) The School Children's Trust Section shall annually report a school described in Subsection (1)(b) to the school district contact person, district superintendent, and president of the local board of education or charter board, as applicable.

(2) The School Children's Trust Section may visit a school receiving funds from the School LAND Trust Program to discuss the program, receive information and suggestions, provide training, and answer questions.

(3)(a) The School Children's Trust Director shall supervise annual compliance reviews to review expenditure of funds consistent with the approved plan, allowable expenses, and the law.

(b) The School Children's Trust Director shall report annually to the Board Audit Committee on compliance review findings and other compliance issues.

(c) After receiving the report described in Subsection (3)(b) and any other relevant information requested by the committee, the Board Audit Committee may make a determination regarding questioned expenditures and corrective action as outlined in Section R277-477-9.

#### **R277-477-8. School Children's Trust Director - Other Provisions.**

(1)(a) The School Children's Trust Director is an employee of the Board, pursuant to Section 53A-16-101.6 and Board bylaws.

(b) The School Children's Trust Director shall report to the Board Audit Committee monthly.

(c) The School Children's Trust Director shall report day-to-day to the Superintendent or the Superintendent's designee.

(2)(a) The School Children's Trust Director shall submit a draft section budget to the Board Audit Committee annually, consistent with Subsection 53A-16-101.6(5)(a).

(b) The School Children's Trust Director shall include in the draft budget a proposed School LAND Trust Program and training schedule, as described in Subsection 53A-16-101.6(13).

(3) In addition to the duties established in Section 53A-16-101.6, the School Children's Trust Director shall:

(a) assist the Board as needed as its designee in fulfilling its duties as primary beneficiary representative for school trust lands and funds;

(b) provide independent oversight of an agency managing school trust lands and the permanent State School Fund to ensure the trust assets are managed prudently, profitably, and in the best interest of the beneficiaries;

(c) review and approve a charter school plan on behalf of the State Charter School Board;

(d) provide notice as necessary to the State Charter School Board of changes required of charter schools for compliance with state statute and rule;

(e) review and approve a plan submitted by the USDB governing board as necessary; and

(f) carry out the policy direction of the Board under law and faithfully adhere to the Board-approved budget.



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(4) The employees of the School Children's Trust Section report to the School Children's Trust Director.

**R277-477-9. Failure to Comply with Rule.**

(1) If a local school board, school district, district or charter school, or council fails to comply with the provisions of this rule, the School Children's Trust Director may report the failure to the Audit Committee of the Board.

(2) If the Audit Committee of the Board finds that any local school board, school district, district or charter school, or council failed to comply with statute or rule, the Audit Committee may recommend that the Board take any or all of the following actions:

(a) in cooperation with the local school board or charter school governing board, develop a corrective action plan for the school district, district or charter school, or council;

(b) require the school to reimburse the School LAND Trust Program for any inappropriate expenditures;

(c) reduce, eliminate, or withhold future funding; or

(d) any other necessary and appropriate corrective action.

(3) The Board may, by majority vote, take any of the actions outlined in Subsection (2) to correct or remedy a violation of statute or rule by a local school board, school district, district or charter school, or council.

**KEY: schools, trust lands funds**

**Date of Enactment or Last Substantive Amendment: [July 8, 2014]2015**

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**Authorizing, and Implemented or Interpreted Law: Art X Sec 3; 53A-16-101.5(3)(c); 53A-1-401(3)**